

Amendments to the Claims:

This listing of claims replaces all prior versions and listings of claims in the application:

Listing of Claims:

Claims 1-20 were cancelled.

*Sub B1*  
(Currently Amended) 21. A method of intra-day trading of an actively managed fund on an exchange, comprises:  
    using a [determining in a computer system a] hedging basket of securities that track[s] the actively managed fund to allow a market specialist to manage investment risk that the specialist takes in the actively managed fund; and  
    trading the fund through the specialist through pricing of the financial product as determined between buyers and sellers of the fund.

(Currently Amended) 22. The method of claim 21 wherein the value of the [portfolio] hedging basket of securities tracks the price of the [exchange traded] actively managed fund.

(Currently Amended) 23. The method of claim 21 further comprising:  
    determining in a computer system hedging basket of securities, with determining further comprising:  
    applying factor analysis to produce the hedging portfolio that tracks the portfolio of financial instruments to hedge the position taken by the specialist in the exchange traded fund.

(Previously presented) 24. The method of claim 23 wherein the factors that are examined by factor analysis include economic activity, inflation rates or other factors that are related to measures of economic activity.

sub  
B1  
cont

(Currently Amended) 25. The method of claim 21 wherein [pricing] trading in shares of the [product] actively managed fund takes into consideration a calculated intra-day net asset value proxy for the fund.

(Previously presented) 26. The method of claim 21 further comprising:  
determining an intra-day net asset value proxy for the fund by applying prices received from a quote feed to security positions in the fund portfolio as of the prior close of the fund.

(Currently Amended) 27. The method of claim [26] 23 wherein determining further comprises:  
applying factor analysis to the portfolio of the exchange traded fund to provide the factors.

(Previously presented) 28. The method of claim 27 wherein applying occurs in a trusted computer system.

(Currently Amended) 29. The method of claim 21 wherein the factors that are examined by factor analysis include factors related to measures of security price behavior [economic activity, inflation rates or other factors that are related to measures of economic activity].

(Currently Amended) 30. A method of trading intra-day an actively managed [exchange traded] fund comprises:  
[calculating] referring to a calculated [an] intra-day net asset value proxy for the fund [by applying prices received from a quote feed to security positions in the fund portfolio];  
trading [the] shares of the actively managed fund [on a securities exchange] by determining a price of the financial product between buyers and sellers taking into consideration information about the determined intra-day net asset value proxy for the fund.

but B1 cont  
(Currently Amended) 31. The method of claim 30 wherein trading the shares [on a securities exchange] further comprises:

trading on a securities exchange through a specialist and wherein the method further comprises:

hedging a position by the specialist to offset a position in the [exchange traded] actively managed fund.

(Currently Amended) 32. The method of claim 30 wherein [calculating] referring to the intra-day net asset value comprises:

calculating the referring to intra-day net asset value proxy for the fund by applying prices received from a quote feed to security positions in the fund portfolio;

adjusting the portfolio to reflect any transactions made on the prior trading day.

(Previously presented) 33. The method of claim 32 wherein the portfolio is adjusted to take into consideration factors such as dividend credits and expenses attributable to the current trading day.

(Previously presented) 34. The method of claim 30 wherein the net asset value proxy calculation is executed within a trusted system.

(Previously presented) 35. The method of claim 30 wherein the trusted system is a physical hardware and operating system configuration in which domain configuration and trust relationships are established to determine access to information in the trusted system.

(Previously presented) 36. The method of claim 35 wherein the relationship established in the trusted system is denying access to the decrypted portfolio file from outside of the calculation process.

sub  
B1  
cont

(Previously presented) 37. The method of claim 30 wherein decrypting further comprises:

decrypting a portfolio file received from the fund and populating a table with fund positions including a security identifier and quantity of shares held in the fund.

(Currently Amended) 38. The method of claim 30, wherein referring includes [further comprising]:

disseminating the intra-day net asset value proxy for the fund on a periodic basis throughout a trading day.

(Currently Amended) 39. A computer program product residing on a computer readable medium for trading an actively managed, exchange traded funds, comprises instructions for causing a computer to:

[produce a hedging basket of securities for a market specialist to allow the market specialist to manage investment risk in the actively managed fund; and  
record executed trades of the fund between buyers and sellers that occur through the specialist by determining a price of the financial product between buyers and sellers of the fund]  
construct a factor weighted portfolio by selecting and weighting of instruments based on historic relationships, as analyzed by a factor model that analyzes how various factors effect pricing of the underlying portfolio, to hedge the position taken by the specialist in the exchange traded fund.

(Currently Amended) 40. The computer program product of claim 39 wherein the factors that are examined by factor analysis include factors related to measures of security price behavior [further comprising instructions to cause the computer to:

apply factor analysis to produce the hedging portfolio that tracks the portfolio of financial instruments to hedge the position taken by the specialist in the exchange traded fund]

*sub  
B/  
cont*

(Previously presented) 41. The computer program product of claim 40 wherein the factors that are examined by factor analysis include economic activity, inflation rates or other factors that are related to measures of economic activity.

(Previously presented) 42. The computer program product of claim 40 further comprising instructions to cause a computer to:  
determine an intra-day net asset value proxy for the fund by applying prices received from a quote feed to security positions in the fund portfolio as of the prior close of the fund.

(Previously presented) 43. The computer program product of claim 42 wherein instructions to apply occur in a trusted computer system.

(Currently Amended) 44. A system to manage intra-day trading of an actively managed fund on an exchange, comprises:  
a computer system including a processor and memory to execute computer instructions and storage to store a computer program product comprises instructions for causing a computer to:

produce a hedging basket of securities for a market specialist to allow the market specialist to manage investment risk in the actively managed fund; and with the system further comprising:

a trade process that allows trades of the fund shares to be executed between buyers and sellers through the specialist by determining a price of the financial product between buyers and sellers of the fund.

(Currently Amended) 45. The system of claim 44 wherein instructions to produce a hedging basket further comprise instructions to:

Sub B1 cont  
apply factor analysis to produce the hedging portfolio that tracks the portfolio of financial instruments to allow the specialist to hedge the position taken by the specialist in the exchange traded fund.

(Previously presented) 46. The system of claim 45 wherein the factors that are examined by factor analysis include economic activity, inflation rates or other factors that are related to measures of economic activity.

(Previously presented) 47. The system of claim 44 wherein the computer system stores a computer program product comprises instructions for causing a computer to:

determine an intra-day net asset value proxy for the fund by applying prices received from a quote feed to security positions in the fund portfolio as of the prior close of the fund.

(Previously presented) 48. The system of claim 45 further comprising:  
a second computer system which is a trusted computer system including a second processor and second memory to execute computer instructions and storage to store a computer program product comprises instructions for causing a computer to:

determine a determine an intra-day net asset value proxy for the fund by applying prices received from a quote feed to security positions in the fund portfolio as of the prior close of the fund.

(New) 49. A method of intra-day trading in shares or derivative instruments of an actively managed fund, the method comprises:

using a determined hedging basket of securities that track the actively managed fund or derivatives to manage investment risk taken in the shares or derivative instruments of the actively managed fund; and

*Sub  
B1  
cont*

trading the fund shares or derivative instruments through pricing of the fund shares or derivative instruments as determined between buyers and sellers of shares in or derivative instruments of the fund.

(New) 50. The method of claim 49 wherein the value of the hedging basket generally tracks the value of the exchange traded fund.

(New) 51. The method of claim 50 further comprising:  
applying factor analysis to produce the hedging portfolio that tracks the portfolio of financial instruments to hedge the position taken in the exchange traded fund.

(New) 52. The method of claim 51 wherein the factors that are examined by factor analysis include economic activity, inflation rates or other factors that are related to measures of economic activity.

(New) 53. The method of claim 49 wherein trading of the fund shares or derivative instruments takes into consideration a calculated intra-day net asset value proxy for the fund.

(New) 54. The method of claim 49 further comprising:  
determining an intra-day net asset value proxy for the fund by applying prices received from a quote feed to security positions in the fund portfolio as of the prior close of the fund.

(New) 55. The method of claim 54 wherein determining the intra-day net asset value proxy occurs in a trusted computer system.

(New) 56. A method of intra-day trading of shares or derivative instruments of an actively managed fund, the method comprises:

Sub  
B1  
cont

calculating an intra-day net asset value proxy for the shares by applying prices received from a quote feed to security positions in the fund portfolio; and

trading the fund shares or derivative instruments through pricing of the financial product, as determined between buyers and sellers of the shares or derivative instruments with pricing of the shares or derivative instruments taking into consideration information about the determined intra-day net asset value proxy for the fund.

(New) 57. The method of claim 56 wherein trading the shares or derivative instruments occurs on a securities exchange or market entity.

(New) 58. The method of claim 56 wherein trading the shares or derivative instruments occurs through a specialist or market maker and wherein the method further comprises:

using a determined hedging basket of securities that track the actively managed fund or derivatives to allow management of investment risk in shares of the actively managed fund, with the specialist or market maker hedging positions using the determined hedging basket of securities to offset a position taken by the specialist or market maker to maintain an orderly market in shares or in the derivative instruments in the exchange traded fund.

(New) 59. The method of claim 58 wherein trading occurs in shares through a specialist or market maker and wherein the method further comprises:

using a determined hedging basket of securities that track the actively managed fund to allow management of investment risk in shares of the actively managed fund with the specialist or market maker hedging positions using the determined hedging basket of securities to offset a position taken by the specialist or market maker to maintain an orderly market in shares in the exchange traded fund.

(New) 60. The method of claim 58 wherein trading occurs in derivative instruments through a specialist or market maker and wherein the method further comprises:



Sub  
B1  
cont

using a determined hedging basket of securities to allow management of investment risk in derivatives with the specialist or market maker hedging positions using the determined hedging basket of securities to offset a position taken by the specialist or market maker to maintain an orderly market in the derivative instruments in the exchange traded fund.

(New) 61. The method of claim 56 wherein calculating the intra-day net asset value is executed within a trusted system, the method further comprises:

adjusting the portfolio to reflect any transactions made on the prior trading day; to take into consideration factors such as dividend credits and expenses attributable to the current trading day.

(New) 62. The method of claim 61 wherein the trusted system is a physical hardware and operating system configuration in which domain configuration and trust relationships are established to control access to an decrypted portfolio file representing positions taken in the actively managed fund.

(New) 63. The method of claim 56 wherein calculating the intra-day net asset value is executed within a trusted system, the method further comprises disseminating the intra-day net asset value proxy for the fund on a periodic basis throughout a trading day.

(New) 64. A method of intra-day trading on an exchange or market in shares or derivative instruments of an actively managed fund, the method comprises:

referencing a calculated intra-day net asset value proxy for the actively managed fund;  
and

trading the fund shares or derivative instruments through pricing of the fund shares or derivative instruments as determined between buyers and sellers of shares in or derivative instruments of the fund taking into consideration prices posted for the calculated intra-day net asset value proxy.

*Sub  
B1  
cont*

(New) 65. The method of claim 64 wherein trading the fund shares or derivative instruments occurs through a specialist or market maker that hedges positions using the determined hedging basket of securities.

(New) 66. The method of claim 64 further comprising:  
applying factor analysis to produce a hedging portfolio that tracks the portfolio of financial instruments to hedge positions taken by participants that trade in shares or derivative instruments of the exchange traded fund.

(New) 67. The method of claim 64 wherein the proxy is calculated by:  
determining an intra-day net asset value proxy for the fund by applying prices received from a quote feed to security positions in the fund portfolio as of the prior close of the fund.

(New) 68. The method of claim 64 wherein determining the intra-day net asset value proxy occurs in a trusted computer system.

(New) 69. A actively managed fund that is traded intra-day between buyers and sellers, comprises:  
shares or derivative instruments corresponding to an interest in the actively managed fund, with the shares or derivative instruments traded based on  
a determined hedging basket of securities that track the actively managed fund or derivatives to manage investment risk taken in the shares or derivative instruments of the actively managed fund.

(New) 70. The actively managed fund of claim 69 further comprises:  
the shares or derivative instruments corresponding to an interest in the actively managed fund further traded based on:

*Sub B1 writ*

pricing of the shares or derivative instruments as determined between buyers and sellers of shares in or derivative instruments of the fund.

(New) 71. The actively managed fund of claim 69 further comprises:  
the shares or derivative instruments corresponding to an interest in the actively managed fund further traded based on:  
a determined intra-day net asset value proxy for the fund that is referred to for pricing of the shares or derivative instruments.

---